

Dec. 20, 1939.

Mr. Lloyd Thomas,  
Superintendent of Banks,  
Phoenix, Arizona.

**LAW LIBRARY**  
**ARIZONA ATTORNEY GENERAL**

Dear Mr. Thomas:

We have your letter of December 19th setting forth that certain licensed money lenders in this state licensed under the provisions of Chapter 45, R. C. A. 1928, are contacting various merchants and inducing them to recommend to their prospective customers who lack cash or need financing in their purchases, that they obtain a loan from the licensee to purchase or finance those items they desire to buy from the merchant. You desire our opinion as to whether or not this procedure is violative of that portion of Section 1989, R. C. A. 1928, reading as follows:

"A person engaged in the business of negotiating or aiding the borrower or lender in procuring or making small loans is deemed to be engaged in the business of making small loans."

In a situation such as you set forth we assume that there is a working agreement between the merchant and the licensee to enhance the businesses of both by doing the things set forth in your letter and it is our opinion that such action on the part of the merchants brings them within the quoted portion of Section 1989 as being engaged in the business of making small loans. However we believe further that if a person merely refers another person to a licensee in a casual manner that such action would not place him within the operation of the quoted portion of Section 1989.

We trust that this is a sufficient answer to your inquiry.

Yours very truly,

JOE CONWAY,  
Attorney General.

EDWARD P. CLINE,  
Assistant Attorney General.

EARL ANDERSON,  
Special Assistant  
Attorney General.